

The American Observer

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

VOLUME V, NUMBER 23

WASHINGTON, D. C.

FEBRUARY 17, 1936

Split in Union Labor Ranks Grows Serious

Industrial Unions Defy Leadership of American Federation of Labor on Vital Issue

ENLARGED MEMBERSHIP GOAL

Wagner Law Gives Impetus to Movement for Greater Unionization of American Workers

Labor history is being made this year, this month. Many things are happening. Labor leaders are making a desperate drive to bring workers everywhere into unions. The government is helping them. It has enacted the Wagner law, which, among other things, declares that employers must permit their workers to organize and deal with the unions. The employers, nevertheless, are more determined than they have ever been before to prevent the organization of workers, or to force the workers to form unions of a sort which the employers approve. Serious strikes are looming on the horizon. And now comes a threatened split among the workers. That is the spectacular news of the month—the fight in the ranks of organized labor between the so-called “craft” unions and the “industrial” unions, which may cause a break in the American Federation of Labor.

But what does all this mean to the country as a whole? What, after all, do we mean by labor and the labor movement? What difference does it make to the rest of the country what the workers do? A little careful thought will probably convince us that it makes a great deal of difference. But first let us look about over the country and find out just who these workers are.

American Workers

There are about 40 million wage-earners in the United States; men and women who live in towns and who work for a living. This does not include farmers or executives or professional people. Some of these workers are skilled. They belong to certain crafts. They are carpenters or bricklayers or engineers or glass blowers or machinists, or they belong to some other of the hundreds of occupations which require some training or skill. Many of them are rather well paid, but some are not. There are a larger number who do not belong to any particular class of labor. We do not say that they are carpenters or bricklayers or engineers; they are just workers. They fit in anywhere they can, working in this industry or that, at relatively unskilled labor. Nearly all these people are poorly paid.

About one-fourth of these workers are now out of jobs. They can find nothing to do, and a few of them and those dependent upon them are living on savings. But not many of them have any savings. Most of the unemployed are either living with relatives or on public relief. The average earnings of those who have jobs are something over \$22 a week, or about \$97 a month. Some of the skilled workers receive a great deal more than that, but most of the unskilled receive less. This means that the workers of America live quite badly. If several members of the family are working, they may get along very well, but if only one member works, there is but \$97 a month for family support. This means cramped living quarters and scarcely enough food to

(Continued on page 8)



—Photo by Charles G. Mulligan

THE CAPITOL IN WINTER DRESS

The heaviest snow in fourteen years brought scenes unfamiliar to tourists to the nation's capital.

Washington's Challenge

It is customary upon the occasion of a great man's birthday to repeat words of counsel which he left to succeeding generations. This can, of course, be overdone. We sometimes seem to follow too slavishly the opinions of national heroes who, however wise in their own day, had no experience with present conditions, and whose advice, applied to the problems of today, is inappropriate to present needs. But George Washington, whose birthday we celebrate this week, said many things which ring as true today as a century and a half ago. What motto is more suitable for a twentieth century classroom than this much-quoted bit of counsel which Washington addressed to the American people September 17, 1796? “In proportion as the structure of government gives force to public opinion, it is essential that public opinion should be enlightened.”

To what extent have we heeded that counsel? How well have the schools and colleges succeeded in enlightening the opinions of American youth? Vincent Sheean, whose very interesting book “Personal History” should be read by every high school and college student, gives damaging testimony as to the laxness of the colleges. He attended the University of Chicago from 1917 to 1921. He thinks this university was no worse an offender than others, and yet it permitted him to spend his years under its guidance without being brought into contact with the dramatic problems of his day. “I spent the next 10 years,” he says, “learning the course of events in the world from 1917 to 1921, approaching them as one approaches the course of events in the Renaissance or the Middle Ages. I was a freshman when the Bolshevik Revolution took place, and I am certain that I did not even read the accounts of it in the Chicago newspapers. The Treaty of Versailles, the defeat and collapse of Woodrow Wilson, the crash of monarchies all through Europe, the revolution in Turkey and the whole bestirring of assorted nationalisms, Wilson's legacy to the world, were duly recorded in history while I went to class dances and wrote songs for Blackfriars. . . . Few Hottentots or South Sea Islanders could be less prepared for life in the great world than I was at 21.”

Of course, all college students do not have this experience. Probably the colleges are doing better in this respect than they did 15 years ago. And the high schools are more alive to their civic responsibilities than the colleges are. But even in the secondary schools we may well ponder the advice of Washington and ask whether all is being done that might be done to further that enlightenment of public opinion which he considered so essential to the success of democratic government.

Sweden Solves Her Economic Problems

People Have Learned to Avoid Numerous Evils of Capitalism and Socialism

MONOPOLIES ARE CURTAILED

Cooperative Movement Has Succeeded in Preventing Exploitation of Consuming Public

When Marquis W. Childs, who has spent years studying and writing about Sweden, published a book recently describing conditions in that country, he called it “Sweden—The Middle Way.” It is the subtitle which is especially interesting. It indicates that Mr. Childs thinks of Sweden as a sort of middle ground between extremes. And that is exactly what he means, as the reader of the book will quickly discover. He is thinking of countries like the United States on one extreme, and Russia on the other.

In the United States practically all the business is done by private corporations and by individuals. They work for profit, the idea being that if everyone works for what he can make, the interests of all will be served. So Americans tend to oppose any policy which interferes with the profits of those who produce, manufacture, transport, or sell goods. They do not look with favor upon government ownership of industry or any form of competition with private industry by publicly owned enterprises. This system is often praised as one of “rugged individualism,” because individuals are expected to look out for themselves with as little interference as possible from the government.

Russia goes to the other extreme and practically does away with private ownership of industry. The government does all the producing, shipping, and selling. No individual is supposed to make profits. Everything except goods held by persons for their own use—goods like clothing and other personal possessions—is owned by the state.

A Middle Course

Many people seem to think that all nations must make a choice between these two systems—that they must take one or the other. Either they must have all business carried on by private companies, or else they must go all the way to communism.

But the Swedes have discovered that there is a middle ground between these two systems. They permit individuals and corporations to own and operate industries and, in fact, more than half the business of the country is carried on in that way. Along with private ownership, however, they have other forms of industrial control. Certain industries are owned by the government. The government owns most of the railroads, for example, and many of the electric power plants. It runs the liquor and tobacco industries, and other enterprises. If at any time a majority of the Swedish people decide that a certain form of business can be carried on better by the government, they take it over. They do not have the notion that it is wrong for the government to compete with private industry, or that a business can be run successfully only if those who manage it are permitted to make profits. “How will it work?” is the question they ask, and if they decide that in some particular case

public ownership would work well, they adopt that form of ownership or control.

The system of government control is really in many cases half public and half private. The state, for example, owns the liquor and tobacco and radio broadcasting industries, but turns over their management to private companies. The important thing to remember is that the profits of these companies are limited to a very small percentage. The state gets the rest, and uses it to the best advantage of all the people.

There is now on foot a movement in Sweden to extend this governmental control to other necessities of daily life, notably coffee and gasoline, in order that more funds may be provided for old-age pensions. This issue, sponsored by the Social Democrats in the face of a vigorous conservative opposition, will probably figure strongly in the elections this fall. The people will decide what is to be done.

The Cooperative Movement

But it is the cooperative movement in Sweden which has attracted the most widespread attention. In many cases people have joined together into organizations or companies. These organizations are known as cooperatives. These cooperatives own and operate a number of industries in Sweden. This is not a case of government ownership. It is not socialism, neither is it private capitalism of the usual kind. It is a case of individuals who use certain articles, going together, making the articles for themselves, and arranging for them to be shipped, stored, and sold.

These cooperatives are owned and run by the consumers, and, regardless of what else he may be, everyone who eats and wears clothing and uses other things is a consumer. Groups of Swedish consumers became aware that they were paying high prices for many of their goods. There were trusts or monopolies in Sweden as in most other countries. In certain industries big companies practically controlled the market in the things they produced. They ran the small producers out, and had things their own way. They were able to charge very high prices. Consumers then set out to remedy this situation. They decided to go into business themselves.

One of the first and most important efforts of consumers was directed toward the control of the margarine industry. Margarine is a butter substitute which is widely used in Sweden. Most of the factories preparing this product had merged into a trust. By doing this they were able to keep prices far higher than was justified by the cost of production and distribution. In the meanwhile, cooperative stores had been organized. These stores were operated for service and not for profit, and returned a rebate on purchases each year to all members of the cooperative.

Private retail merchants saw in the cooperative stores a threat to their profits. They decided to fight the cooperatives by removing their source of supply, and arranged with the group that controlled the margarine trade to stop selling to cooperative stores. The cooperators at once saw the grave danger, but there was one way in which it might be averted. That was to buy a factory, and make their own margarine.



—Courtesy Architect's Office, Cooperative Union, Sweden

HEADQUARTERS OF THE CONSUMERS' COOPERATIVE SOCIETY, STOCKHOLM

rine. They did just that, and the margarine bosses realized the importance of this move, for they reduced the price of margarine. The cost of raw materials had, of course, not changed, and the cooperative union made clear to the general public that the lowered price was a result of consumer activity. In less than two years the price dropped to a point the cooperative considered fair, and the power of the margarine trust was destroyed.

Extent of Cooperation

When other manufacturing groups combined to keep prices abnormally high, the cooperative was always ready to step in and fight. They brought down the prices of sugar, soap, chocolate, flour, electric light bulbs, and galoshes, an all-season necessity in Sweden. During the battles, the trusts or "cartels," as they were called, would temporarily slash prices below cost. But the cooperators, thousands of Swedish consumers, had learned where their bread was buttered, and patronized their own stores loyally until the cause was finally won.

The cooperative movement has grown and has extended from one industry to another until now about one-tenth of all the manufacturing in Sweden is done, not by private manufacturers or by the government, but by cooperatives or associations, composed of the people who consume the products. About one-third of all the retail trade is carried on by the cooperative associations. It will be seen, therefore, that the cooperative associations do a very large proportion of all the business that is carried on in Sweden.

Cooperative Housing

Not only do the cooperative associations manufacture, ship, store, and sell goods, but they build houses for the use of their members. The Swedish Cooperative Housing Society has built many modern apartment houses. In Stockholm alone, more than 65,000 people live in such quarters. While the improvements may not seem remarkable to us in America, they are really most unusual in Europe. All the windows, made of one-piece mirror glass, have pleasant views, and most of them have balconies. Walls are soundproofed, floors are fitted with linoleum. Each apartment has

a radio outlet device, each house has a cooperative laundry, a garbage incinerator, and a model cooperative nursery where employed mothers may leave their children each day while they go out to work. The tenants in every large apartment have their own cooperative retail store, part of the Stockholm Consumers' Society. In the most expensive of these houses, a one-room apartment with kitchenette and bath is only \$10 a month.

The city of Stockholm, taking a lead from the cooperatives, has also entered this field. For a down payment of only \$80 and an offer to help put the house together, a man can buy a pre-fabricated, or so-called "Magic House," on garden land in suburban Stockholm. The pre-fabricated houses are houses the parts of which are built according to a general plan and shipped to the places where the houses are to be put up. There the parts are assembled and put together. This plan permits the large-scale, low-cost production of houses. These houses are just coming into fashion here in America, but over 50,000 people have moved into them in Stockholm alone during the past 10 years. Most of the families in "Magic Houses" have annual incomes between \$800 and \$1,300, and over 70 per cent of the heads of these families are construction and industrial workers, laborers, and civil service employees.

Similar houses have been built in other parts of Sweden for workers in cooperative factories or mills. So much of Swedish life is bound up with the cooperative movement that "today the good cooperator in Sweden may live and die within his own system, a system based upon production for use rather than for profit."

How It Works

How, on the whole, has this Swedish "Middle Way"—this system which is neither socialism nor unrestrained capitalism—worked? Have the Swedish people got along as well or better than the Russians who have gone all the way over to public ownership? Or the Americans and British and French and the other peoples whose business is nearly all done by those who operate for private profit?

It is hard to answer that question. We can say that Sweden is getting along comparatively well. She has recovered from the depression in such a way as to make her neighbors envious. The industries which the government operates; that is, electricity production, telephone, telegraph, railways, and the forests are showing handsome profits. More important than that, practically all the people are able to find work. In August of last year, less than one per cent of the population was unemployed. Private industries, like automobile and radio manufacturing, were prospering. There was a mild business boom, and the government's budget for 1935-1936 was completely balanced.

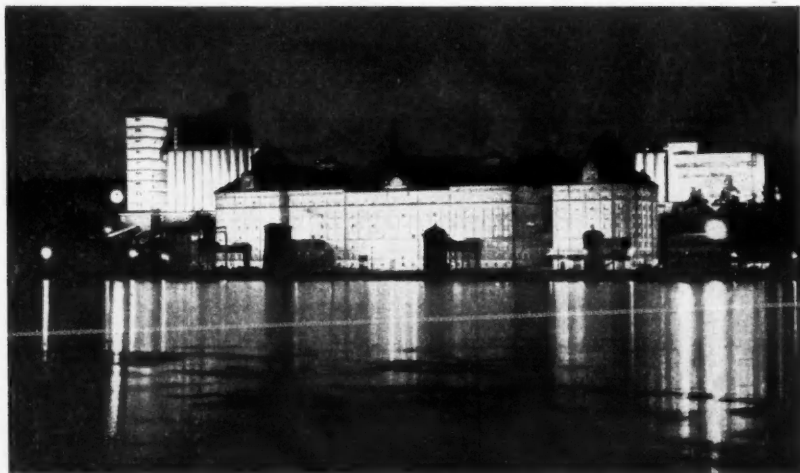
This would indicate that the plan of combining private ownership with government ownership and the operation of industries by the consumers was working very well.



—Courtesy American-Swedish News Exchange
COLLECTIVE HOUSING IN SWEDEN

Many people, who see in the cooperative movement the way out for all nations, point to Sweden's example and say that it is cooperation in Sweden which has enabled that country to recover so completely from the depression. But we must be careful about making sweeping statements. Many causes may combine to give a nation prosperity, or to bring it into depression. In the United States we have recovered to quite a degree, and yet, right here at home where we can observe conditions carefully, we are not agreed among ourselves what the causes of the limited recovery are. Should the government have credit for it, or has the government held it back rather than furthered it? That is a point about which there is very bitter dispute in the United States.

It does seem, however, that the Swedish people have been sensible in handling their affairs. They are willing to try different plans and to follow those which seem best. In this they are practical. They do not shy away from a plan merely because somebody labels it "radical" or "socialistic" or "collectivist," or because someone points out that it is not the way the Swedish people have done in the past. They ask merely whether the thing, regardless of its name, will work. And even though we cannot say with certainty that the economic experiments they have carried on are wholly responsible for their prosperous condition, we can say that these experiments have not kept them from being prosperous. They are getting along well enough to justify their confidence that they can handle their affairs more successfully than most other peoples appear to be able to do.



—Courtesy Swedish Travel Information Bureau, New York.

A COOPERATIVE FLOUR MILL AT THE ENTRANCE OF STOCKHOLM HARBOR

The American Observer

A Weekly Review of Social Thought and Action

Published weekly throughout the year (except two issues in December) by the CIVIC EDUCATION SERVICE, 744 Jackson Place, Washington, D. C.

Subscription price, single copy, \$2 a calendar year. In clubs of five or more for class use, \$1 a school year or 50 cents a semester.

Entered as second-class matter Sept. 15, 1931, at the Post Office at Washington, D. C., under the Act of March 3, 1879.

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AROUND THE WORLD

England: A fresh wave of alarm appears to be running through England. There is a real fear that Germany is going to strike before very long. It is reported that the Germans are preparing to break through Holland this time instead of Belgium. If they should do that, they would reach a point very near England and could perhaps invade that country with their air fleets. The British are determined to be better prepared this time than they were before, and so they are going to launch a huge preparedness program. It seems likely that they will spend around two billion dollars on defense during the next three years.

The British are particularly anxious because of aggressive claims that are being made in Germany. Officials prominent in the German government are insisting that Germany get back the colonies which she lost in the World War. They are going so far as to say that the colonies are still rightfully and legally Germany's; that the war victors are occupying them but temporarily, and that Germany must soon have them back. Would it prevent a war in Europe if Germany were given back these colonies, or would the Germans then think that, having bluffed the former Allies into returning the colonies, they would make still further demands? It is hard to tell.

France: The French, as well as the British, are worried about the possibility of a German attack. They seem to think there is no doubt but that the Germans will, when they are prepared, undertake to expand in some direction. But the French people are divided among themselves as to the best means of defense. There are many Frenchmen who believe the best thing for France to do is to increase the powerful fortifications which have already been constructed along the border between France and Germany. They think that France should then stand behind these great concrete bulwarks which line the border and repel the Germans if they should attempt to invade. They think that France should not try to influence European politics much otherwise; that they should not depend upon alliances, and that they should not go to war to prevent the Germans from expanding toward Russia or Austria.

There are other Frenchmen who think that if Germany is allowed to expand and become powerful in central and eastern Europe, she will become so strong after a

while that she can break down any battlements along the border and invade France. They think that the only way France can defend herself is to maintain her alliances with Russia, England, and the Little Entente. If Germany should try to expand in any direction, the French should help Germany's neighbors to hold that country in check. Thus and thus only, think these Frenchmen, can Germany be prevented from becoming so powerful as to ruin France.

Those who belong to this latter group and who want France to combine with the other nations to keep Germany down are the ones who are advocating strong measures against Italy. They are anxious that a strong League of Nations should be preserved and that France should work with it. The League might then at some time prevent German aggression just as it is now trying to prevent Italian aggression. The Frenchmen who think that France should stay at home and merely protect her own frontiers are the ones who oppose uniting with the League in decisive action against Italy. The present government, of which Pierre-Etienne Flandin is the foreign minister, favors the policy of alliances and of combinations with the other nations. Laval was more inclined to stay at home and merely repel invasions. The issue is not yet definitely decided.

Germany: The fourth Winter Olympiad has been officially opened by Chancellor Hitler in the great ski stadium at Garmisch-Partenkirchen. Over 1,600 athletes from 28 nations marched in review, with Greece in the lead as originator of the Olympic games, and Germany, this year's host, bringing up the rear. All the other countries were in alphabetical order, from Australia to the United States. Germany, Austria, and the United States had over 100 competitors each.

After the parade of nations, which took a half hour, flagbearers of the different groups formed a semicircle around Willi Bogner, German athlete who pronounced the Olympic oath: "We swear that we will take part in the Olympic games in loyal competition, respecting the regulations which govern them and desirous of participating in them in the true spirit of sportsmanship for the honor of our country and for the glory of sport." After the ceremony was over, Avery Brundage, president of the American Olympic Committee, declared

that since his arrival in Germany he had seen no discrimination of any sort against Jewish athletes or citizens.

Another section of the international games, the regular Eleventh Olympiad, will be opened in Berlin this summer. It is interesting to compare the ancient and the modern Olympics with regard to score-keeping. In olden times an athlete was hailed only if he won. No credit was granted for coming in second or third or fourth. Today every competitor tries to earn points for his team, and he can make 10 points for a first place, and five, four, three, two, and one for the next five places. The winner of the Olympics is the team with the most points after the games are over.

Italy: Paul H. Douglas, professor of economics in the University of Chicago, and a well-known authority on labor problems, has just returned to the United States from a stay of three and a half months in Italy. He says that Mussolini has become very unpopular; that he is no longer applauded in the movies, and that it seems unlikely that he can last more than another year or so. He says that whenever anyone becomes popular in Italy and shows signs of possibly becoming a rival of Mussolini, the dictator sends him out of the country. Sometimes he is sent away on a diplomatic mission. But at least he is removed from the scene.

One reason for Mussolini's unpopularity, according to Professor Douglas, is the suffering of the people. "Grown people beg food in the city streets," he says, "and any time you give a beggar anything the doors of nearby houses open and the people pour out like swallows to get a share. They will fight over a crust or a hard-boiled egg. There is really suffering and hunger there."

Austria: Austria continues to be an explosive point in Europe. Everybody knows that Hitler wishes to annex the 6,000,000 Austrians and that he will send his armies marching southward if or when he thinks that an appropriate time has come. The Austrians are, of course, not strong enough to defend themselves. Prince Starhemberg, who is vice-chancellor but who is really the dominating power in Austria, is leaning to Italy for support. But Mussolini is fairly well occupied in Ethiopia. France and the central European nations have discussed the question as to what should be done. Many of the Austrians would like to bring back the House of Hapsburg and set up the throne with emperors again. But the Yugoslavs, Czechoslovaks, and Rumanians are afraid that if the Hapsburgs should return they would want to restore all the territory that used to be Austrian when they ruled before. This would give Austria large slices of territory now belonging to Yugoslavia, Czechoslovakia, and Rumania. So these three countries would go to war to prevent the Hapsburgs' return. That is about the way things stand.

There is at least one part of the world where the unemployment problem is vanishing, if a recent statement of Premier Stevens of New South Wales is correct. He says that Australia is approaching an era when there will be a more or less permanent scarcity of skilled labor.

The Canadian parliament is now in session. It met February 6. The chief problems before it are unemployment and relief, together with the problem of getting the money to pay for relief.

Emblems of mourning were removed from the shop windows in England as soon as King George's funeral was over, but mourning was still worn by the people.



© Wide World

PRINCE VON STARHEMBERG

Black is conspicuous among the women's dresses and men wear black ties or arm bands.

In 1925 two thirds of Russia's exports were farm products and only one third were industrial goods. In 1935 the order was reversed. Nearly 70 per cent of the exports were industrial goods. This indicates the extent to which manufacturing has developed.

The food shortage in Germany continues. The Germans do not produce as much as they need and find it hard to pay for food from abroad. That is one reason why they are insisting that they must have colonies as sources of food and raw material.

There is to be a general election in Japan February 20. A Diet (or national legislature) is to be chosen, but it is not expected that any great changes of governmental policy will result.

Senator Key Pittman of Nevada, chairman of the Senate Foreign Relations Committee, strongly urged the increase of our national defenses recently. He gave as a reason the danger of Japanese aggression in the Far East.

SOMETHING TO THINK ABOUT

1. How does the economic system of Sweden differ from that of (a) Russia? (b) Italy? (c) the United States?
2. How have the Swedes been able to curtail the power of monopolies? Have the people as a whole benefited from this action?
3. Do you think the cooperative movement might assist us to solve our economic problems?
4. Have the American workers received their share of the recovery that has taken place in this country?
5. What are the main advantages of the craft form of labor organization? of the industrial union? Which form do you favor?
6. How might the United States build up a more efficient system of government personnel?
7. In your opinion, would restoration of the Hapsburgs contribute anything to a solution of Europe's problems?
8. Do you personally favor the abolition of grades? How do you think your own work would be affected by such a change?
9. Is there any indication that the civil liberties are being curtailed in your own community?

PRONUNCIATIONS: von Starhemberg (fon shtar'em-bairg), Pierre-Etienne Flandin (pee-air'ay-teen-en'flon-dan'), Garmisch-Partenkirchen (gar'meesh par'ten-kir-schen), Hapsburg (hops'boorg).



PRINCES, KINGS AND A PRESIDENT

© Harris & Ewing

In London for the funeral of George V. Left to right: Prince Paul, Regent of Yugoslavia; Crown Prince Gustav Adolf of Sweden; King Leopold of Belgium; King Boris of Bulgaria; King Carol of Rumania; King Christian of Denmark; and President Lebrun of France.



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PRESIDENT ROOSEVELT GREETES THE NEW FEDERAL RESERVE BOARD

Left to right: Joseph A. Broderick, (New York); Ronald Ransom, (Georgia); John McKee, (Ohio); M. S. Szymczak, (Illinois); Marriner S. Eccles (Utah), chairman. Another member to represent agricultural interests is yet to be named.

New Deal Spending

Probably the most difficult thing the President will have to explain to the voters during the coming campaign will be the spending program, which has already run the government's debt to the highest figure in our national history. And there can be little doubt that he will have to face the issue squarely, for he is being pressed on all sides. Political opponents and business organizations are hammering away at the unbalanced budget, and the man who is now leading the Republican candidates for the presidential nomination, Governor Landon of Kansas, gains his support mainly because of his record at balancing his state's budget.

The United States Chamber of Commerce last week laid down a challenge to the President, requesting him to let the people know just where they stand and what they may expect in the way of expenditures and new taxes. "If the public, particularly the investing portion," the Chamber declared, "were assured that the increase in the debt would be tapered off and that at some definite date the budget would be balanced, the credit of the government would be greatly strengthened. No such assurance is in sight. No official promise or prediction has been made."

Problems of public finance are uppermost in the President's mind as he prepares to enter the political fray. He has spent many hours going over the whole field with his leading advisers and with members of Congress. Whether he will satisfy his critics by giving more detailed estimates of the expenditures he thinks necessary or will give indication of when he expects to balance the budget is still uncertain. It is known that he will urge Congress to raise about \$500,000,000 to finance the new farm program now up for debate. He may go further and request new levies to offset

the drain caused by payment of the bonus and continued heavy relief expenditures, although he has been less specific on this point.

Current History

The New York Times Company has announced the sale of one of its publications, *Current History*, the transfer of ownership to take effect after the April 1936 issue. The purchaser is M. E. Tracy, a former columnist for the Scripps-Howard newspapers.

Current History was founded by the New York Times Company in 1914 from a desire for some medium through which articles pertaining to the sources of the war and to the international diplomatic situation could be presented to the public. Some of the articles were reprinted from *The Times*, and others were previously unpublished because they had been considered too lengthy for a daily newspaper. The magazine quickly found a good-sized public. After the war the format was changed somewhat. The first part of the magazine was devoted to fairly long articles on current news problems, and the second contained shorter references summarizing monthly events in the principal countries of the world. The magazine has continued along these lines ever since.

The new owner, Mr. Tracy, plans to continue the general policies of *Current History*, but he also wants to broaden its appeal to include a larger audience than that of students and educators to which its greatest appeal now lies. He has said that "*Current History* will emphasize facts rather than opinions, and will continue to be devoted to information, not to propaganda."

The Pace of Progress

Transportation history was made last week when modern motor buses replaced the street cars on Broadway. Notable changes in methods of carrying people and things have come about every few years since the time when the only traffic on the "Breedeweg" of the early Dutch settlers consisted of pedestrians and a few market wagons. The passenger of 1670 boarded an oxcart to take him up Broadway. A half century later, if one had plenty of time to wait for one to come along, he might ride a public horse-drawn coach. In 1786 the hardy traveler could board the Albany-bound covered wagon and ride up Broadway at eight cents a mile.

As the city grew and extended its limits northward, a very colorful type of travel sprang up. Brightly decorated yellow and red omnibus wagons, drawn by four horses, sped up the avenue, vying with one another for passengers. There were several companies in business, all eager for the trade, and the competition was cutthroat. Pictures of famous men and events decorated the sides of the vehicles, and sometimes a bus would take its name from the man or woman whose likeness it carried up the street. The gayety and splendor of these

buses enthralled the visitors from out of town.

The "Broad Wagon Way" soon found itself with a problem. There were so many buses, long-distance stagecoaches, trucks, drays, and commercial vehicles that traffic was slowed and accidents were frequent. At one busy corner an overhead footbridge was erected to safeguard the lives of pedestrians who wished to cross the street.

In 1852 a group of New Yorkers were granted permission by the city to lay street-car tracks along Broadway above Union Square. Horses did the pulling until a system of moving underground cables was invented to drag the cars along. With the development of electricity, this clockwork method was discarded in favor of electric current supplied by contact with underground wires; this was the beginning of the twentieth century.

But at almost the same time the beginning of the end for surface cars was in sight. The subway was opened in 1903, and an electric motorbus "autostage," seating 12 people at a fare of five cents each, had been introduced on Fifth Avenue in 1900.

Almost all surface cars have now left Manhattan, just as they are leaving the streets of

there are families. Of the total, 20,000,000 families get less than \$2,500 a year. Leaving 750,000 who 'don't have to do their own work, and can loaf around and play pitch while the dishes are being done, and be leisurely and save civilization."

Mr. Morgan's performances of this kind have led many people to question his ability to make comments filled with wisdom on the economic and social order. His success in the field of finance has been such as to guarantee him a position of leadership, but in the future his advice on saving civilization and the economic order and other matters of public concern will probably be taken with an abundance of salt.

The Opposition Wins

The much-trumpeted neutrality bill will probably be allowed to die before it is even considered on the floors of the two houses of Congress. The administration has decided not to push permanent neutrality legislation at this session. Rather, the attempt will be made to reenact the present law, which is due to expire the last of this month. Practically no changes are expected in the new law.

As expected, opposition to the neutrality bill came mainly from two sources. In the first place, it was opposed by those who are against any policy which might entangle the United States in European disputes. This group of so-called "isolationists" objected to the measure on the ground that it would enable the United States to work with the League of Nations in its attempts to curb an aggressor nation and thus become drawn into a conflict. The second group of opponents consists of those who stand to lose trade advantages because of restrictions which the neutrality bill imposed or authorized. Exporters of certain of our products were especially vocal in their opposition to the neutrality law. While it was expected that these two groups—and others who insist upon adherence to the principle of "freedom of the seas"—would make themselves heard, they were not thought to be sufficiently powerful to prevent enactment of the bill.

Poll on Constitution

The American Institute of Public Opinion through mail ballots and visits by interviewers recently asked a cross section of the nation's voters the following question: "Would you favor an amendment to the Constitution trans-



TICKLISH

—Bishop in St. Louis Star-Times

other cities throughout the United States. The new buses are cheaper to operate, faster, less noisy, and more comfortable. The introduction of the modern bus in New York symbolizes the beginning of a new era in urban transportation.

J. P. and the Leisure Class

Every time J. Pierpont Morgan goes to Washington to testify before congressional committees, he seems to put his foot in it. Last year, he came in for considerable publicity and not too complimentary comment when he allowed himself to be photographed with a midget on his knee. Appearing this year before the Senate Munitions Committee, he made a comment about the leisure class and civilization which has furnished ammunition for newspaper columnists and wits in general. "If you destroy the leisure class you destroy civilization," declared the head of the House of Morgan. Later the financial wizard was asked by newspapermen to explain what he meant by the leisure class. The leisure class, according to Mr. Morgan's definition, consists of "all those who can afford to hire a maid." He estimates that there are 30,000,000 such leisure families in the United States.

Many families were probably surprised to discover that all of a sudden they belonged to the envied leisure class. What is perhaps more interesting is the fact that so many families may be thus classified. The *Washington News* points out that "the tables show that there are in round numbers in the United States altogether 27,500,000 families of two or more persons. So Mr. Morgan is 2,500,000 over, at the start, and has that many more maids than



© Harris & Ewing

HIS HAT'S IN THE RING

Senator William E. Borah of Idaho has formally signified his intention of seeking the Republican presidential nomination.



Work on Boulder Dam is nearing completion. The big dam, Nevada, is nearly finished.

THE FIN TO

United States

Doing, Saying, and Thinking

...erring to the federal government the power to regulate agriculture and industry?" The answers, as of February 1936, were 43 per cent "Yes" and 57 per cent "No." Of all the sections of the country, only the South registered a majority in favor of such an amendment; contrary sentiment was strongest in New England. Those voting "No" felt that the federal government had administered the AAA and the NRA poorly, and that government regulation would discourage business. Those voting "Yes" felt that the AAA and the NRA had been conceived and controlled for the benefit of most of the people, and that governmental sponsorship and regulation of agriculture and industry would help reduce unemployment and bring us back to good times.

In another part of the poll, 53 per cent of the voters felt that Supreme Court decisions on the constitutionality of congressional acts would be effective only when bolstered by a vote of six to three or better; fully 21 per cent declared for unanimous decisions, sometimes adding by way of comment: "If the judges can't agree on what's the law, what's the use of having a Court at all?"

'Cabin Class'

After weeks of discussion and with the threat of a rate war hanging over their heads, members of the North Atlantic Passenger Conference have finally come to an agreement which abolishes the "first class" on all Atlantic liners. The agreement was the result of a problem posed by the British Cunard line when it applied for classification of its new liner, *Queen Mary*, as a cabin boat. It needs to be explained that rates on ships are determined by their speed and luxuriousness. The fastest and most expensively appointed liners have hitherto been designated as "first class," and therefore required to charge higher rates than others. This arrangement was made so as to avoid unequal competition with other, older and smaller, vessels. When the United States built its two new ships, the *Manhattan* and the *Washington*, they were given the "cabin" rather than the "first class" designation. Thus being able to charge lower rates, they had a decided advantage over those ships designated "first class." With the completion of the *Queen Mary*, Britain, desirous of being able to compete with these American boats, informed members of the Conference that unless its new ship would be given the lower classification, it would withdraw its membership. A compromise was therefore obtained by putting

all large ships in the "cabin" class. The rates are but little changed. There will continue to be first, second, and tourist classes on all ships, but the first class will now be called "cabin class."

It's Happening Here

There is real danger of losing the civil liberties guaranteed by the Constitution—freedom of speech, press, assembly, etc.—according to a report recently published by the Congressional and Christian Churches in America. The report sees a grave danger in the "wave of repressive legislation that has engulfed the country during the past year." It holds such measures as loyalty oaths to be contrary to American principles of liberty and democracy.

"In America," the report charges, "the problem of civil liberty has become more than a theoretical defense of our constitutional rights. We are experiencing that denial of our elemental rights which is the sign of the presence of Fascist forces at work in our national life. 'Oust the Reds' is the slogan, but the reality of the matter is that the wave of repression



PATHS WITHOUT GLORY
—Fitzpatrick in St. Louis Post-Dispatch

threatens to engulf liberals, progressives, and radicals alike."

Continuing, the report declares: "The crucial struggle for civil liberty today is among tenant farmers and industrial workers, fighting for economic emancipation and security. It is a struggle which has not won the favor of employers and owners. Chief among their weapons are the overriding of the constitutional rights of workers and farmers through the courts, the police, the militia, and by vigilantism and night riding."

Presidential Picture

In justice to Harris and Ewing, photographic news service, we wish to correct an impression which some of our readers may have gained by reading the caption under the picture of President Roosevelt on page 4 last week. This caption declared that the picture showing the President shielding his eyes was being "widely and unscrupulously circulated to show that Mr. Roosevelt is worn out and discouraged." Harris and Ewing point out that the picture was sent out on their regular service, that it has not been unduly circulated by them, and that the photographer violated no regulations in taking the picture. We are glad to make this statement, as we naturally have no desire to cast any reflection on the standing of Harris and Ewing. The picture has undoubtedly been misused. This has been due, however, not to Harris and Ewing, but to misleading comment printed with the picture in various publications.

In the January 27 issue of THE AMERICAN OBSERVER a note on the work of the National



FREE PORT FOR THE NATION

New York City has been permitted by the Department of Commerce to establish a free foreign trade zone at Stapleton, Staten Island. The free port will be used to facilitate the trans-shipment of goods to and from foreign countries. Foreign merchants will also be able to display their wares at the port without having to pay duty charges. If goods are brought into the United States, of course, regular duties will have to be paid. The port is merely for the convenience of exporters, importers, and shipping companies.

Youth Administration stated through a typographical error that 104,501,000 undergraduates in 1,602 institutions are being helped by that organization. The figure should have been given as 104,501.

Accident Deaths

According to figures released by the National Safety Council, almost twice as many people were killed in the United States in 1935 by accidents as were killed in action among the American forces during the entire World War. Comparing the figure of 99,000 accidental deaths last year with the present population of the United States, the death rate for accidents is found to be 77.6 per 100,000 population.

Accidents rank only fourteenth among the causes of deaths in this country. But the death rate from accidents is particularly alarming because, while the general death rate has declined considerably in recent years, the decline in the accident mortality rate has been negligible.

In Brief

The stock market, regarded by many as the true index of prosperity or depression, continues to climb upward toward the ethereal heights it reached late in 1929. At the end of January, the average price of stocks listed on the New York Stock Exchange was higher than at any time since March 1931. Since June 1932, when the bottom was reached, the average increase has been 217 per cent. Even so, the average is still more than \$50 a share lower than in August 1929.

New York City is threatened with many labor disputes. Having averted the strike among building employees, Mayor La Guardia was confronted last week by a walkout of more than 100,000 dressmakers and garment workers, who among other things are demanding a 30-hour week and higher wages.

"When government becomes too rigid to meet changing needs, revolution breaks the deadlock," writes William Green, president of the American Federation of Labor, in urging a constitutional amendment to permit Congress to enact social legislation.

The population of the United States has increased almost 5,000,000 in size since the census of 1930 and, according to the Census Bureau, was 127,521,000 on July 1, 1935. The rate of increase is slower now than formerly, due largely to restrictions on immigration.

Apparently in order to get the jump on the Supreme Court, Congress last week repealed three laws, following the President's recommendations. They were all closely allied with the AAA and included the cotton control act, the famous potato law, and the tobacco control measure.

Names in the News

John J. Raskob, millionaire Liberty League leader, through a circular letter recently told 150,000 people, largely du Pont and General Motors stockholders, that though he began life as a poor boy, hard work and the guarantees of the Constitution helped him succeed. Meanwhile, the United States treasury billed him for an additional \$1,026,340 tax on "unreported income" in 1929.

Senator William E. Borah of Idaho has joined the fight for the Republican nomination for the presidency by filing his entry in the Ohio primaries. With an eye on Mr. Borah, former Senator Fess of Ohio, a conservative, declared that the Republican nominee should be one who has supported "more Republican measures than Democratic measures."

Charles Curtis, vice-president of the United States from 1928 to 1932, and a state and Federal official for more than 30 years, died recently of a heart attack. He was 76 years old.

John L. Lewis, head of the United Mine Workers of America, has refused to accept a salary increase from \$12,000 to \$25,000 which miner delegates voted him at their Washington convention. Mr. Lewis said he was not serving the miners' organization "for salary or mere gain."

Governor Alfred M. Landon of Kansas and Representative James W. Wadsworth of New York are being boosted by a group of eastern Republican leaders as running mates on the Republican ticket.



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"LANDON FOR PRESIDENT"

Booster clubs to press for the nomination of the Kansas governor are being organized. This is the New York headquarters.



© Harris & Ewing

FIN TOUCHES

A highway connecting Kingman, Arizona, with Las Vegas will pass over the dam.

Historical Backgrounds

By David S. Muzzey and Paul D. Miller

Civil Service and the Spoils System

ON NO single ground has the Roosevelt administration been more generally criticized than on its strict adherence to the spoils system in the filling of public offices. The merit system, by which government employees are chosen after they have succeeded in competitive examinations, has been overthrown almost completely, it is charged, and the dozens of New Deal agencies are filled with loyal Democrats whose main qualification for their jobs is the service and contribution they have made to the party. To a limited degree these charges are true, for the spoils system does hold sway today, and many of the emergency agencies are staffed by people recommended by congressmen anxious to please their constituents and thus win more votes at the next election. It is not that the Roosevelt administration has removed from the merit system government positions which were already under civil service. It has not taken such a step backward, but has merely not filled new positions by use of the merit system.



DAVID S. MUZZEY

To a certain extent, of course, every administration in American history has been guilty of the same thing. Republicans as well as Democrats have had no scruples about ousting many of the appointees of their opponents once they come into power. Every time there is a change of administration in Washington, thousands of postmasters throughout the country find themselves suddenly out of jobs and members of the opposing party placed in these jobs. The same is true of many other government positions, both in Washington and in branch offices in the different cities. If the Roosevelt administration has been more guilty than previous administrations, it is probably due to the fact that it has had more jobs to hand out than its predecessors because of the parade of new agencies that has been going by during the last three years. In some instances—notably the TVA and the Rural Electrification Administration—extreme care has been exerted in the choice of personnel, and a splendid record has been established.

Rise of Spoils System

A century ago, general adherence to the spoils system would have been considered the natural course of events. From the days of Andrew Jackson, when there was a wholesale housecleaning of those in government jobs and a substitution of loyal Jacksonians, the spoils system governed the appointment of men and women to public jobs. But, as we pointed out in our discussion last week, one of the early demands of the "reformers" was abolition of the spoils system and inauguration of a system of government personnel based on merit and competitive examination.

Progress along these lines was slow and sporadic. It was probably the assassination of President Garfield in 1881 by a disappointed job-seeker that gave sufficient impetus to the demand to secure concrete legislation. Civil service reform became a burning issue, and a year after Garfield's assassination, a committee of the Senate brought out a report condemning the spoils system in no uncertain terms. The following year, 1883, saw the enactment of the first civil service law, which provided, on a modest scale, to be sure, for the establishment of the merit system in government. At first, only a few thousand federal workers were under civil service, then gradually others were added until a few years after the World War more than three-fifths of all federal employees had been placed under civil service.

Today, the national government employs approximately 800,000 persons, excluding the military forces, CCC workers, persons employed on relief projects and certain other groups. Of the 200,000 that have been added by the New Deal—those called to administer the relief program, the agricultural program, and a dozen other alphabetical agencies—few have been given jobs under the merit system. It is here that the spoils system has held full sway and it is in connection with these agencies that the Roosevelt administration has had criticism.

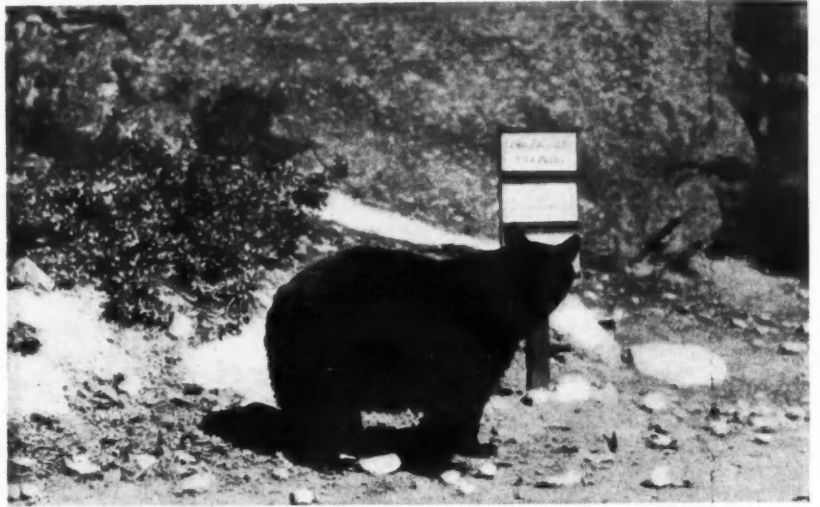
It would be a mistake to assume that all these new employees are dead timber, meritless appointees of politicians. Just as the emergency created by the war brought into government service specialists drafted from the business world, so the economic emergency of the last few years has brought into service many men from the outside, university professors and others who had specialized in the study of certain branches of learning. But in the main, the routine jobs, together with many of the political plums, have been laded out to pay political debts.

Present Problem

It has been recognized that the great weakness of the American system of public administration has been the lack of a well-trained personnel, as well equipped as the personnel of any business or industrial organization. Other nations have it. Government service is a career which requires careful training and which attracts some of the best brains and ability of the nation. The colleges are combed for talent, and strict examinations and specialized training are given. A government job is regarded not as something to tide a person over a temporary period of difficulties, or as a berth for one who has failed in other activities, but as a lifelong career, where advancement and remuneration are as great as in nonpublic work. As Leonard D. White, one of the three Civil Service Commissioners, pointed out in an article on civil service reform in *Fortune* magazine about a year ago:

From a broad point of view, however, the government ought not to be forced to rely on either dollar-a-year men or temporary loans from American colleges and universities. In a period when it is one of the main responsibilities of government to make the rules of the business game and to supervise their enforcement, public confidence in government action demands the careful balance that a disinterested administrative class, properly trained, could give. Neither is it clear that men from the colleges and universities, called upon at short notice and suddenly transplanted for brief periods, can be expected to give the long-time results that a permanent corps of trained administrators should produce.

However discouraging the present situation may seem, prospects for the future are not so dark. Within the last year or so, the whole subject of government service, as it applies to personnel, has received an unusual amount of study. The Civil Service Commission itself is attempting to draw into the service young people with good education and thorough background. At the present time, a Graduate School of Public Administration is in process of formation at Harvard University, and a similar school exists at Columbia University. The purpose of these educational enterprises is to furnish a higher type of government official who will train himself especially for government service and who will want to make a career of such work.



WHY BEARS BEHAVE LIKE HUMAN BEINGS
The subject of an engaging chapter in "Oh, Ranger!"

Among the New Books

Tarkington's Latest

"The Lorenzo Bunch," by Booth Tarkington. (Garden City: Doubleday, Doran. \$2.)

TO THE list of light and unimportant, but glibly written, novels of which this season has seen so many, add "The Lorenzo Bunch." It is the tale of a group of young married couples that lived in adjacent apartments and together idled away much of their spare time. The "Lorenzo" might be an apartment in any city in the United States, and the "bunch" might be any crowd of young married people selected at random in any of dozens of cities.

This story is of their life together, the petty little details, the humor and the tragedy, so common as to seem unimportant. It is not the events which are unimportant, however, but the manner of their handling by the Hoosier past-master. The authoring of 40 novels has made Booth Tarkington so adept that the reader feels "The Lorenzo Bunch" could easily have been run off in Mr. Tarkington's sleep. It is another depressing evidence of the deadening effect Hollywood has had on American fiction.

To Mr. Tarkington's credit there are several amusing spots and one episode that is almost hilarious. But the sentimentality of the solution, the plot and the anticlimactic inevitable hearts-and-flowers end will disappoint even the most ardent of the author's admirers.

National Parks

"Oh, Ranger!" by Horace M. Albright and Frank J. Taylor. (New York: Dodd, Mead. \$2.)

IT IS hard to imagine the person to whom this story of our national parks would not be as satisfying as a story can be. Written in a lively and informal style, it is studded with bits of good humor and is altogether readable.

The ranger has always been a romantic, though somewhat hidden, figure. This book gives a great deal of information about the ranger's life; and his duties, many of which are far from romantic. It also describes the parks in such a way that one can understand the ranger's refusal to quit the service once he is entrenched, unromantic duties notwithstanding.

"Oh, Ranger!" recreates the Dudes and Sagebrushers, the bears that behave like human beings, and the Indians of the past and present. It makes vivid the beaver, the buffalo, and various other wild animals in the parks. There is one chapter which is a miniature "Compleat Angler." Do you know how a geyser is formed? Do you know what equipment you should possess in order to go on a hiking trip through one of the national parks? Would you know what to do if a grizzly bear chased you? You will find the answers to these and many other pertinent questions in "Oh, Ranger!"

In the back of the book there is a list of all the nation's parks with short descriptions of them. There are some photographs deserving of acclamation, and many delightful and witty drawings scattered through the text.

A Moving Drama

"The Eternal Road," by Franz Werfel. (New York: Viking. \$2.25.)

NEW YORK is expected soon to see a production of this play by the author of "The Forty Days of Musa Dagh." Max Reinhardt, the producer, must overcome tremendous difficulties. The stage directions call for "five stages, which rise in ascending order like the steps of a stairway." The scenes shift rapidly. The author's theme is a gigantic one. A satisfactory presentation will be a triumph for all concerned.

"The Eternal Road" is that endless and timeless road which the Jews have always traveled. Particular interest centers upon the question at the present time, of course, because of the Nazi persecutions in Germany. To give point to his theme, the author, himself a Jew, has utilized familiar portions of the Old Testament. These have been so exquisitely transferred to the spoken word that the drama is as moving as though the story were not one of the oldest in the world. The unfolding of the heritage of the Jewish race is once more made stirring and magnificent. The spirit of the author has been absorbed by Ludwig Lewisohn who did the exceptionally fine translation.



IN CRATER LAKE NATIONAL PARK
Illustrations from "Oh, Ranger!"



The System of Grading in Education. Are Students Helped or Hindered by Being Subjected to Frequent Tests? Should the Better Students Have Special Privileges?

THESE three imaginary students will meet each week on this page to talk things over. The same characters will continue from week to week. We believe that readers of THE AMERICAN OBSERVER will find it interesting to follow these discussions week by week and thus to become acquainted with the three characters. Needless to say, the views expressed on this page are not to be taken as the opinions of the editors of THE AMERICAN OBSERVER.

Charles: I read the other day that Duke University is going to give up the plan of giving students grades every term. It will wait until they finish their college course and then give examinations to find out whether they are fit to graduate. It seems to me that that's a fine thing. I wish our school would adopt the same rule.

John: What's the matter? Don't you like the idea of term grades?

Charles: I certainly do not. It seems to me that if a student works merely for grades he won't have much but grades to show for his work. He won't be looking out to see what he can learn from his courses that will be useful to him. He is figuring out all the time how he can make grades.

Mary: But in order to make the grades he must at least learn a lot of facts, and one needs facts in order to understand things. That's the big part of getting an education. I don't see that it makes so much difference what one's motives are. If he learns the things he is supposed to learn in his courses it will give him the knowledge that he needs.

John: And that isn't all. The student jumps in and learns a lot about a subject because he is obliged to. He does it in order to get grades. Then he becomes interested and goes farther on his own accord.

Charles: But it isn't a very lofty motive merely to get high grades and beat somebody else out. I don't believe that would ever get one very far. And another trouble is that one doesn't get grades after he finishes school. He gets in the habit while he is in school of working for grades. Then when school is over he gets the impression that his education is done. He isn't taking examinations any more, and so he lets down. If he learns all the time he is in school that he needs wide knowledge and real education; that there isn't any way to bluff his way through; that people succeed well in school and out who do good work, he will get along better. He will be judged in school just as he is judged outside. If he seems to master subjects and understands them and shows evidence two or three years after he has taken them that they mean something to him, then he will get through. But he isn't being judged by his ability to answer questions as soon as he has finished a course.

John: I don't agree with you when you say that there is a different rule of success in school and outside. People are being judged all the time, outside of school as well as in. They are being ranked by employers and others. Those who do good work get the rewards and those who do not flunk in school and lose their jobs outside. It's a good thing for them to get in the habit of failing when their work isn't done properly, and the only way they can be failed in school is to be given a test.

Mary: I agree in part with Charles. I think that in order for one to do really fine work he has to be interested in something besides grades. He can't do it merely because he is afraid not to. He has to have a real interest. We three, for example, don't get together once a week and talk about public problems because we'll be flunked if we don't. We do it because we are interested in these things. It seems to me that the brightest and most successful and most promising students ought to be freed from the burden of the grade system. But the ordinary students and the poorer ones wouldn't do much if it weren't for grades. They are just like many people in the occupations who work only because they are afraid they would lose their jobs if they didn't.

Charles: Well, I'm certain that the plan of working for grades is a bad one so far as I am concerned. Nearly every day I find something that I would really like to read and that would do me a great deal of good, but there are a lot of assignments that stand in the way. I have to go on reading something that I don't care anything about just because I feel that I must keep my grades up, and I feel that my grades will go down if I don't do all the work that every one of the teachers puts on me.

John: But now you are getting on something else. You're not talking about grades. You're talking about having to do a lot of different kinds of things while you are in school. And so far as that goes, I am convinced that that is a good thing. Some of your studies may be a little distasteful to you. But you'll find when you get out of school and into the world that many of your duties will not be so pleasant. And yet you'll have to perform them, drudgery and all, if you're going to succeed.

Mary: I do think though, John, that we ought to have a little more freedom than we do in our work. If we don't like a subject and aren't specializing in it, the teachers ought to be satisfied if we merely read the texts and do the absolutely required work. We shouldn't have to do outside work on the things we don't like. We should be able to specialize while we are here in

school on the things we really care about.

John: Well, you can do that to a certain extent. We're carrying on these weekly conversations, aren't we?

Mary: Yes, but that's about all we have time for. Each teacher feels that his subject is the most important in the whole curriculum. He thinks that every student should put just as much time on that course as on any other, regardless of the student's interests. It isn't quite true to say that all the teachers act that way, for some of them are very reasonable and consider the interests of the students. I would be satisfied if all the teachers measured up to that standard.

John: And I presume that all the teachers would be satisfied if all the students measured up to your standard, Mary. But a good many of them have no special interest of any kind. They want to get out of extra work in all classes not in order that they may have more time to follow their own interests, but in order that they may have more time to loaf.

Split in Union Labor Ranks Grows Serious

(Concluded from page 8)

for industrial unions. It asked the Committee for Industrial Organization to go out of business.

"At the same time, the United Mine Workers, under the leadership of John L. Lewis, was meeting in Washington, D. C. William Green came from Miami and addressed the miners. He urged them to give up their attempt to form the industrial unions. On the platform beside him was Lewis, head of the miners, who advocated the industrial unions. It was a tense moment for these two men, who now represented different points of view as to the policy of American labor. They were life-long friends; both had come up together from the coal mines. Mr. Green, the head of organized labor in America, had made his request to the miners. Lewis asked them what was their answer, and as a man they roared back a defiance of Green. Then Lewis turned to his old friend, now his opponent in the labor movement, and said: "That is your answer." This incident which is illustrated by a picture on page 8, was a dramatic moment in American labor history.

Will the organized labor movement in America—a movement which so directly concerns the largest class of the American people and which indirectly affects the rest of them, split on this issue? Will there be two movements instead of one; a national organization of craft unions and another organization of industrial unions? That is a question which remains wide open as a result of recent events.



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DUKE UNIVERSITY, DURHAM, NORTH CAROLINA
Students at Duke University, hereafter, will have to pass an examination based on their four years of work before graduating.

THOUGHTS AND SMILES

Not a passenger was killed by railroads in 1935. Anyone with any sporting blood at all is almost ashamed to ride on a train now.
—Washington Post

It seems that W. R. Hearst values his own services at half a million dollars a year. He knows what a job it is to tell all those editors what to be indignant about tomorrow morning.
—Howard Brubaker in THE NEW YORKER

Up in France went the price of goldfish, up in Britain the price of lions recently because Italian goldfish farmers and Ethiopian lion trappers are otherwise engaged.
—TIME

Our present moves toward peace, I think, are not prompted by a positive desire for peace, but by the fear of war, which is a vastly different thing.
—H. L. Tomlinson

Blessed are the peacemakers; they will never be unemployed.
—Washington Post

"Tinkham plans fight to void Kellogg Pact," says a headline. That should be a thriller, like kicking a loser after a knockout.
—Chicago News

One familiar old warrior, we should like to wager, will be missing from the campaign this year: General Apathy.
—St. Louis POST-DISPATCH

"There is no simple word," writes a western editor, "to express what the American people want." Well, brother, how about "More?"
—Boston HERALD

The Supreme Court upholds the Constitution strongly—and almost weekly.
—Lynchburg ADVANCE

It is all well enough for John J. Raskob to begin at \$5 a week, but there are millions of persons in this broad, geographically speaking, land, who would like to begin this morning at \$5 a week.
—F.P.A. in the New York Herald Tribune

Well, we never had winters like this under Coolidge and Hoover.
—Philadelphia INQUIRER

We hear that Secretary Morgenthau looked pretty ragged. It seems he spends night after night walking the floor with baby bonds.
—H. I. Phillips in the New York SUN

NOTICE

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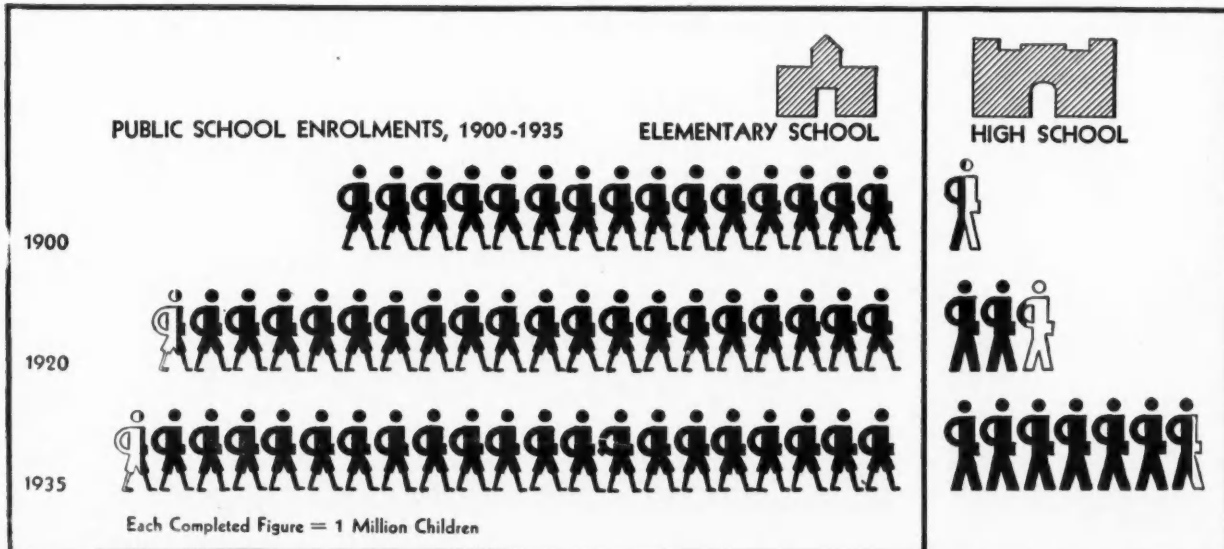


CHART BY COURTESY OF THE NATIONAL EDUCATION ASSOCIATION

The Growing Split in the Ranks of American Organized Labor

(Continued from page 1)

prevent actual hunger. It means that the father and mother and the children cannot buy new clothing very often, nor have much entertainment. It means plain, hard living in the poorer parts of the towns and cities.

That, very briefly, is the description of what we mean when we speak of the workers of America. It comes very near to being a picture of America, because there are more workers than any other kinds of Americans.

How Others Are Affected

But the problems of labor are more than just the problems of the people who work, because all the rest of the people are affected very closely by the way the laborers get along. When wages are low and many workers are unemployed, the working millions cannot buy much. The demand for goods is lower than it ordinarily is and business is bad. During the 1920's, though the lot of the workers was improving, their wages were not going up as fast as the profits of businessmen were. They were not able to increase their buying of goods as fast as the production of goods was increasing. That is why a market could not be found for all that the factories and farms were producing. That is one of the chief explanations of the great crash which came upon the country in 1929, and which brought nearly all the American people to the very brink of ruin.

So we see that all of us will be hurt if the workers on the whole are not getting a large enough share of the national income. Of course, we would be hurt if they were getting too much of it. If they were demanding and getting wages so high that the price of goods would have to be raised too greatly in order to meet the costs of production, it would be a bad thing for business and for the whole country. Sometimes that happens in particular industries. Some people believe (although others do not) that wages in the building industry have now reached that point. They think that is one reason why so little construction work is being done. But wages have never been too high for the national good in industry as a whole. Workers have not been able to push their wages up to that point except in the case of a highly skilled group here or there. And here is another way we are all affected by labor conditions; the whole country is always affected when there is widespread dissatisfaction among workers, and when this leads to strikes and the halting of production.

So we see that it makes a difference to

all of us how labor gets on. We may then ask with some concern how it has been getting on lately. Investigation will show that the situation of workers is improving slowly. It is estimated that 11 per cent fewer workers were unemployed at the end of 1935 than at the end of 1934. Those who had jobs were getting somewhat higher wages, though part of the benefit of the higher wages was canceled by an increase in the cost of living. Those who have made studies of the situation figure, however, that employed workers are four per cent to seven per cent better off than they were a year ago. They can buy that much more.

How Labor Is Faring

This is encouraging in a way, but when we examine some other figures, we are led to believe that the workers are not getting along as well as they might expect. While unemployment was decreasing by 11 per cent, and while those who were employed were making gains of from four per cent to seven per cent in income, the production of goods throughout the country was increasing by about 25 per cent. Although there are no complete figures, it is estimated that the profits of corporations went up about 33 per cent.

It is natural, under these circumstances, that workers should be trying very hard to improve their lot. Those who look at things from a selfish standpoint figure that more money is being made by the employers and that workers should get a larger share of the increase, so they are trying to get higher wages and to cut down their hours of labor. Workers who are thinking about the national good as well as benefits to themselves urge that all classes of people will gain; that the nation as a whole will be more prosperous and more secure if workers receive more and are consequently able to buy more. Most of the great employers of labor appear to feel, however, that if labor gains more power and is able to raise wages, the profits in business will be reduced to the vanishing point; that business expansions will be discouraged; that employment will not increase and that recovery will be halted.

The Labor Movement

The leaders among the workers feel that laboring conditions can be improved only if the workers unite and form unions. Then they can act together. Thousands of workers banded together may ask and obtain things which individual workers, acting singly, could not get. That is why there has for many years been a labor movement—a movement for the organization of workers.

Roughly speaking, we find two kinds of unions in the country. In the first place, there are organizations composed of the members of skilled trades or crafts. These are called craft unions. There is a carpenter's union, a bricklayer's union, an electrical worker's union, and so on. There are hundreds of these craft organizations. The carpenters, for example, in a community will club together into a local organization, or a "local," as it is called. These locals will be combined into a national organization. Thus we have a national carpenter's and a national electrical worker's union, and so on.

Then we have another kind of union made up not of a skilled group or craft, but of all the people, whether skilled or not, who work in a particular industry. The clothing work-



A DRAMATIC MOMENT

As William Green, president of the American Federation of Labor, faced John L. Lewis, president of the United Mine Workers of America, at the miners' convention in Washington recently.

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ers are an example. Whatever operations they may perform, they are all banded together in one union called the Amalgamated Garment Workers. The miners, whatever part of the work of mining they do, belong to one big miner's union, known as the United Mine Workers. These are called industrial unions.

Altogether about one-tenth of the workers of the country belong to labor unions. There are nearly 5,000,000 members, but less than 4,000,000 are active members with their dues paid up. Of these, about two-thirds belong to the craft unions and about one-third to the industrial unions.

These unions, whether craft or industrial, have gone together to form a loose national organization called the American Federation of Labor. It holds a meeting once a year and its executive officers meet oftener. They map out labor policy; decide on national and state legislation which they will call upon their members to support; decide whether or not to help particular strikes which are in progress; and in other ways look after the affairs of organized workers. At the head of the American Federation of Labor, and hence in a way the leader of the American labor movement, is William Green, a man who was once a common miner, but who has risen to a place of great power and influence. He is a practical, sensible man. He tries to look out for the interests of his people, but he is not at all radical. He hates socialism as much as businessmen do. As a matter of fact, at most times, he gets along very well with businessmen.

A Labor Dispute

Recently a dispute has arisen as to whether the workers of the country should be organized as craft unions, or industrial unions. This question has now become immediate and acute because, taking advantage of the Wagner act which declares that employers shall allow workers to organize, the labor leaders are going about in industries like the steel industry and the automobile industry, where the workers are either unorganized or poorly organized, and are trying to form unions. The question is, what kind of unions shall they form? In the automobile industry, for example, shall they organize each group of the workers who do a certain kind of skilled work into a separate union? Or shall they have one big union of automobile workers?

Among the leaders who think that the workers of America should be organized into industrial rather than craft unions are John L. Lewis, head of the United Mine Workers, and Sidney Hillman, head of the Amalgamated Garment Workers. Mr. Lewis is a large, stocky man, with bushy eyebrows and stern appearance, an orator, a leader who can move men, a fighter—certainly one of the most powerful figures in the labor world. He is not a radical; does not believe in socialism, but is not so closely associated with conservative interests as William Green is. Sidney Hillman, Russian born, is a very able man, somewhat more radical than the other two,

but tactful, competent, a thinker, respected even by those who do not like his policies. He is commonly regarded in Europe as the greatest of American labor leaders.

Arguments of Factions

Those who favor the industrial unions say that when skilled groups or crafts are organized, the common worker is left out. The skilled workers are the ones who are looked after. They form the aristocracy of labor. They get higher wages for themselves, but do not care much about the mass of the workers. It is argued, furthermore, that when all the workers in an industry such as the automobile, mining, or steel industries are organized into one great union, they can hold together and work together better. They can use political influence more effectively. They can, in fact, organize politically and elect candidates. They can, if they wish, lay the basis for a labor party such as is so powerful in England. They cannot do this so well if those who work in an industry are broken up into dozens of different unions.

The arguments in favor of craft unions are that the skilled workers are stronger than unskilled in fighting for the rights of labor. A body of skilled workers cannot be quickly replaced if they go out on strike; hence, they are likely to win their battles. Furthermore, they are more easily organized. If the labor leaders go out and organize the skilled workers, these unions or crafts will be in a strong position, and can insist upon concessions from employers. They can raise not only their standards but the standards of all workers. If, on the other hand, the skilled men are thrown into a common pot along with all the rest, there may be no effective organization at all in the industry, and the workers cannot improve their conditions. It is argued, furthermore, that a whole mass of workers once organized would be hard to control. Furthermore, the conservative leaders do not want labor to get into politics, and they are afraid that if industrial unions are formed, the labor movement will become a political movement. In addition to these general arguments, the labor leaders, of course, have their own selfish interests to consider. Those who are already officers in the craft unions feel that if a new form of organization were adopted, they might lose their places. For similar reasons leaders of the industrial organizations are anxious to keep the organizations as they are. Narrow interests of this kind in all movements, whether in labor or in anything else, always get mixed up with the larger interests of public policy.

The Crisis

This struggle between craft unionism and industrial unionism came to a head early this month. John L. Lewis and his followers had formed a "Committee for Industrial Organization," to which a number of the big industrial unions belong. The executive council of the American Federation of Labor met in Miami, Florida, and undertook to stop this Lewis movement

(Concluded on page 7, column 3)



THE KEYSTONE

—Elderman in Washington Post